CANADA·SASKATCHEWAN
Crop Insurance

Annual Report
1985 - 1986

Saskatchewan
Crop Insurance
Corporation

Agriculture
Canada

Government of
Saskatchewan

87-05379/

Saskatchewan Crop Insurance Corporation

Annual Report

For the year ending March 31, 1986

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LETTERS OF TRANSMITTAL

To His Honour
The Honourable Frederick W. Johnson
Lieutenant Governor of the Province of
Saskatchewan

Sir:

I have the honour to transmit herewith the Annual Report of the Saskatchewan Crop Insurance Corporation for the year ended March 31, 1986, including the financial statements therefore, duly certified by the Provincial Auditor and in the form approved by Treasury Board, all in accordance with the Crown Corporations Act, 1978.

I have the honour to be, Sir,
Your Obedient Servant,

Neal Hardy
Minister-in-charge
Saskatchewan Crop Insurance Corporation

To the Honourable Neal Hardy
Minister-in-charge
Saskatchewan Crop Insurance Corporation
Regina, Saskatchewan

Sir:

Presented herewith is the Twenty Sixth Annual Report of the Saskatchewan Crop Insurance Corporation for the fiscal year ended March 31, 1986.

Respectfully submitted,

Saskatchewan Crop Insurance Corporation

William Farley
Chairman

Henry Zilm
President

OVERVIEW

Program Background

Since 1961, the Saskatchewan Crop Insurance Corporation has administered the Canada-Saskatchewan Crop Insurance Program.

The primary objective of the Canada-Saskatchewan Crop Insurance Program is to make available to the farmers of Saskatchewan, a comprehensive all-risk Crop Insurance plan. This Program, in years of heavy crop loss, indemnifies them for their losses, providing a stabilizing effect on farm income.

The Program offers protection against crop loss caused by all natural hazards. Insured parties are guaranteed a specified level of production of a designated grade for each insured crop. Payments are also made for losses on any acreage caused by hail and/or fire. Under the reseeding benefit, costs of reseeding are paid on a spot basis. The Program has grown to include forage, sweetclover, pedigreed seed, fall rye and winter wheat. Over the years, participation in the Program has increased to the extent that during the 1985-86 fiscal year, the Corporation insured nearly 47,000 producers.

Objectives;

Under the Crop Insurance Act, Statutes of Saskatchewan, 1983-84, Chapter C-47-2, the Corporation is empowered to:

(a) Engage in the business of crop insurance by making available actuarially sound insurance programs to eligible producers;

(b) Administer the Crop Insurance Fund;

(c) Provide such facilities and employees as are needed to carry out the authority and responsibility of the Corporation; and,

(d) Make grants to producers suffering crop losses from damage caused by migratory waterfowl.

Financial participation Governments of Canada and Saskatchewan

The Government of Canada contributes 50 per cent of the total premium which totalled $77.2 million for 1985-86.

The Government of Saskatchewan contributes all of the administration costs which totalled $11.5 million for 1985-86.

PROGRAM ACCOMPLISHMENTS FOR 1985

1) Coverage was provided on Sweetclover, Honey and Irrigated Soft White Spring Wheat production.

2) The area eligible for the weather-based Forage Insurance Program was expanded and a Forage Establishment Benefit was added to the Forage program.

3) Price options were increased on canola, flax, sunflowers, mustard and field peas in response to projected market prices for the 1985 crop.

4) The Unseeded Summerfallow Insurance program was expanded to include all unseeded stubble acres.

5) A Pedigreed Seed Option was added to the regular insurance program for commercial crops.

6) An Individual Coverage Option, with coverage based on 80 percent of an insured's own production records, was added.

7) 1985 coverages and premium rates were updated using 1983 average yields in the 15 year yield base and 1983 indemnity/premium ratios in the 25 year loss-cost base.

8) Calculation of Experience Discounts were changed to include total premiums, including the Federal contribution, in the loss/premium calculations. Previously only the insured's contribution was recognized.

9) Spot-Loss Fire coverage was extended to October 31 from September 30.

10) The final date for submission of post/harvest claims was changed from November 30 to November 15.

Information and Advertising

Normal advertising and promotional campaigns to inform our contract holders of Crop Insurance benefits and upcoming deadlines were also conducted in newspapers and on radio.

Information letters and individual brochures were distributed by several methods to Saskatchewan farm operators.

News releases and media interviews were also employed to publicize new developments and program changes.

A promotional campaign to explain the benefits of the Individual Coverage Option was launched in 1985 and continued into 1986. Extensive promotions were also carried out to make farm operators more aware of the new weather-based Forage Coverage that was being offered in 1985 for the first time.

CORPORATE DIRECTORY

Chairman's Message

An unusually high number of insurance claims during 1985-86 severely tested and challenged the Saskatchewan Crop Insurance Corporation to meet its mandate: to provide compensation to farmers for crop losses caused by uncontrollable natural hazards.

Premier Grant Devine, Minister Responsible for the Saskatchewan Crop Insurance, members of the Board of Directors, and Corporate management, worked together closely and met this challenge.

In 1985 a record of $378 million was paid in indemnities for insurable losses. Payments were high because of drought conditions, grasshoppers and other insects. As a result of these factors, farm conditions in Saskatchewan were often compared to conditions that existed in the "Dirty Thirties".

Combined with depressed farm market conditions, these difficulties challenged the Board and management to seek new methods of paying claims even more quickly. The changes adopted helped put cash in farmer's hands when they needed it most.

Procedures established to report, adjust and process claims were under constant review in this period to ensure that the Corporation's efficiency in prompt payment of claims was improved.

In spite of the heavy workload during 1985-86, the Corporation continued its traditional pattern of growth in contract holders, number of acres of crops insured and in premium revenue.

The Forage protection pilot project, begun in 1984, in south-central Saskatchewan was continued in both years. The Corporation also continued to actively promote the Individual Coverage option which was introduced early in 1985.

These expansions demonstrate that the Board is continuing its policy of expanding crop insurance to meet the changing needs of our insureds.

To continue this growth, the Board, during the past year, has also carefully examined further improvements to the Insurance Program that will allow farm operators even more flexibility and more options to purchase the type of protection they need to keep today's farms viable.

The Board is confident the Corporation will continue to grow. This growth will be nurtured by two primary elements: Up-to-date objectives and the ability of the Corporation to fulfill its mandate.

Over the past 25 years the Crop Insurance Program has been successful because it has met its objectives. However, changing farm practices and a changing economy require a commitment from members of the Board of Directors and management to seek innovative solutions to ensure that these objectives will continue to be met in the future.

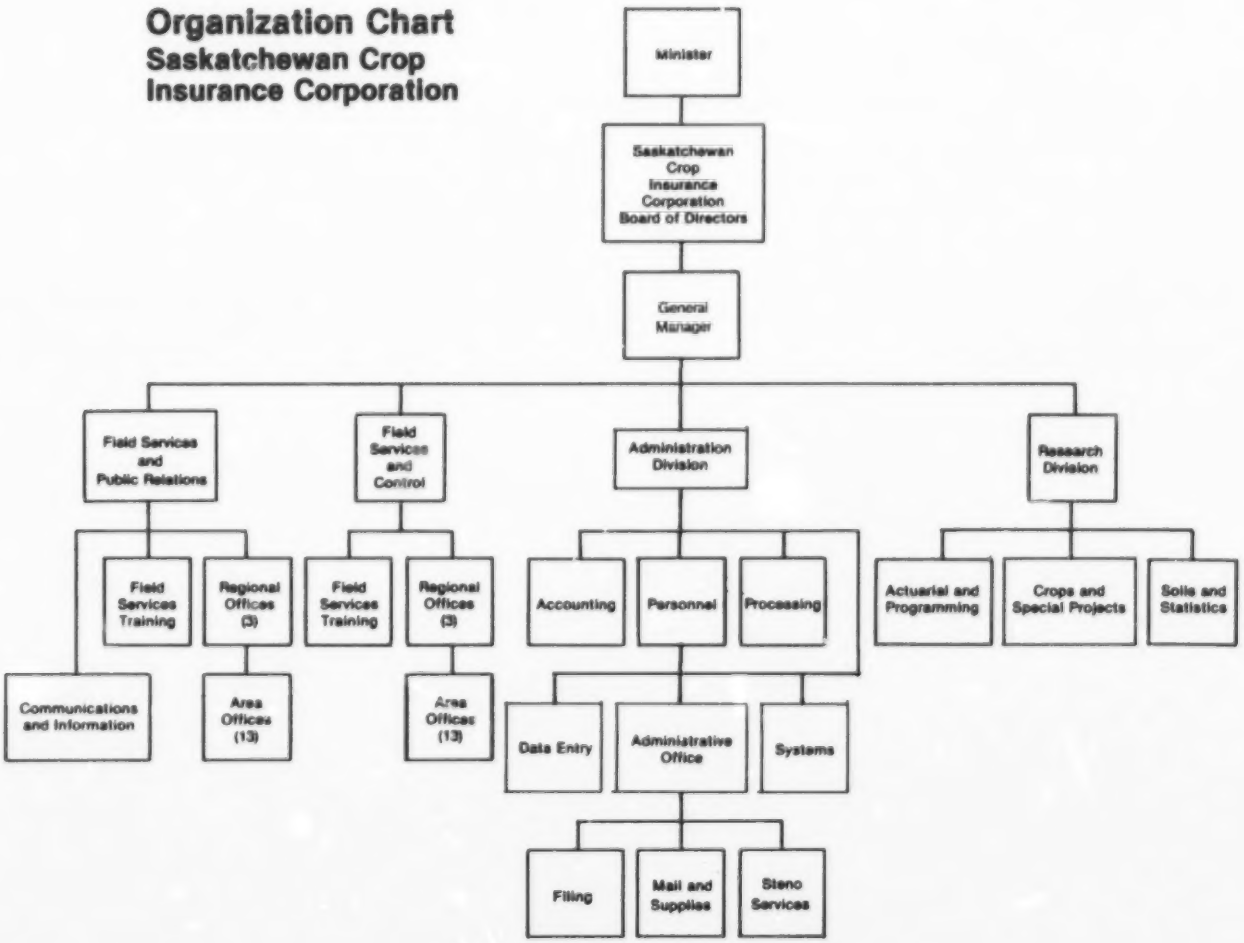
CORPORATE DIRECTORY

Corporation's Principal Officers

The principal officers of the Corporation for 1985-86 were:

Wayne J. Funk, General Manager
Merv M. Ross, Assistant General Manager
James C. Walters, Manager, Administration
Ron Osika, Director, Field Services and Public Relations
Allan Black, Director, Field Services and Control

Organization Chart
Saskatchewan Crop Insurance Corporation



PROGRAM FEATURES

Insurable causes of loss:

Protection is provided against crop losses caused by any of nature's uncontrollable hazards including: drought, flood, frost, hail, fire, excessive rain, snow, hurricane, tornado, wind, wildlife, insect pests and plant disease.

Crops insurable:

Hard red spring wheat, durum wheat, utility wheat, winter wheat, barley, oats, fall rye, spring rye, flax, canola, tame mustard, sunflowers, field peas, lentils, fababeans, canary seed, soft white spring wheat, sweetclover and honey.

Tame perennial forages grown for fodder were also insured in the Southern part of the province under a weather-based program.

Type of Insurance

Establishment Benefit

Producers with fall seeded crops which fail to re-establish due to winterkill or which suffers early spring damage, are eligible for $15 per acre, less premium, payments.

i) **Production guarantee:**

A guaranteed production is provided for the total acres of each insured crop on the individual farm unit. Each crop is insured separately and losses on each crop are adjusted without regard to production from other insured crops.

ii) **Quality guarantee:**

Losses due to low quality are taken into account in the determination of loss of production for each crop, according to the designated grade established for each insured crop.

iii) **Hail/fire spot-loss benefit:**

This additional benefit provides for spot-loss adjustments and indemnity payments according to the amount of loss caused by hail or fire to any or all of the acreage of a crop without regard for the overall production finally harvested from that crop's total acreage.

Coverage for hail or fire damage is equivalent to the yield-loss coverage selected for each crop. Spot-loss indemnities do not lower the production guarantee, but indemnities from both spot-loss and yield-loss cannot exceed the production guarantee.

iv) **Reseeding benefit:**

The reseeding benefit covers the cost of reseeding acreage that is damaged by an insured hazard and is reseeded up to the final seeding date. Payments are made on a spot-loss basis, and do not affect coverage on the reseeded crop

v) **Unseeded acres insurance option:**

This option provides a dollar guarantee on acreages intended to be seeded but which cannot be seeded by the seeding deadline because of excess moisture.

vi) **Individual coverage option:**

A farmer may insure crops based on actual yield rather than area average. Coverage will represent 80 per cent of the last 10 year average yield. As new relationships are established under this option, they will be used to replace the area-based figures. Individual coverage selection applies to all crops insured, except sweetclover.

vii) **Pedigreed seed option:**

This option provides a higher price for all insurable crops except sweetclover; If seed produced is below pedigreed standards, adjustments are made.

Membership in the Canadian Seed Growers Association is required by producers involved in this program.

Coverages and premium rates:

The province is divided into 23 risk areas so that coverage and premium rates can be established for each crop in accordance with the crop yield history and risks common to each area. Coverage for each crop is based on 60 to 70 per

PROGRAM FEATURES

cent of the recent 15 year average yield for summerfallow and stubble for each risk area.

The premium rate is based on the cropping history and variability in yield within the area for the past 25 years.

Irrigated crops are provided coverage and premium rates in line with the increased yields and reduced risk experienced by removal of the drought hazard through irrigation.

A land productivity rating has been established for each quarter section based on the productive capability of the soil. The land rating establishes the coverage and premium rate assigned to each quarter section.

Higher coverage is offered on summerfallow crops than on stubble crops.

Coverage adjustment:

Base coverages for the land operated by insured producers are established according to the average yield for the risk area. The coverage adjustment feature relates coverage more closely to the actual yields of the individual farm. As each insured farmer accumulates Crop Insurance experience on a particular crop the coverage for that crop is increased or reduced accordingly.

Under the coverage adjustment feature, increases in coverage to 125 per cent of base coverage and reductions in coverage to 70 per cent of base coverage are provided. Adjustments are determined by the accumulated loss to premium ratio for that crop.

Experience discount:

This premium discount recognizes differences in risks between individual farmers, and is based on frequency of claims and years of participation in the Program.

Each year in the Program without a loss results in a gradual reduction in premium to a maximum discount of 50 per cent. When losses are experienced this discount is adjusted according to the insured's premium balance but can never fall below a "zero" discount.

Price options:

For each insurable crop, the insured producer selects either a high or low price option. The price option selected is used to determine the indemnity payment if a production loss is suffered. The price options for each crop are reviewed annually with consideration for expected market prices and costs of production.

SUMMARY 1985

General Summary

An increase in participation was experienced again in 1985. Acreage insured increased by 14 per cent over 1985 and liability increased by 16 per cent. Crop insured per contract increased to an average 2.3 in 1985 from 2.1 in 1984. Approximately 73 per cent of producers insured 62 per cent of total seeded acres. Experience Discounts and Coverage Adjustments decreased in 1985 due to the record indemnities paid in 1984. Approximately 55 per cent (68 per cent in 1984) of insureds received an average discount of 7.2 per cent (8.1 in 1984). Under the Coverage adjustment feature 40 per cent (50 per cent in 1984) of insured crops had coverage increased above basic coverage while 14.3 per cent (12 per cent in 1984) had coverage reduced below basic coverage resulting in an increase in coverage of 6.4 per cent compared to 9 per cent in 1984.

Indemnities were paid on 55 per cent of the crops insured for a record indemnity payment of $378 million representing an average payment of $6,800 per claim.

SUMMARY 1985

Summary of Coverages and Indemnities

	Crop Year	
	1984	1985
Contracts	43,443	46,894
Acres (M)	18.4	20.9
Liability (B)	$1.345	$1.558
Revenue (M)	$128.0	$158.2
Indemnities (M)		
Spot-loss hail	$38.2	$38.1
Yield loss	$218.4	$330.3
Reseeding benefit	$3.2	$8.9
Unseeded acres	$.066	$.258
Total	$259.9	$377.6
Loss Ratio	2.03	2.39

Of all indemnities paid 82 per cent were due to drought and 11 per cent due to hail. Of the 105,319 crops insured, 52,684 received indemnities.

1985 Causes of Loss

SUMMARY 1985

Claims Summary

	Crop Year	
	1984	1985
Partial crop pre-harvest	4,064	8,608
Total crop pre-harvest	3,531	11,341
Post-harvest	37,946	36,717
Reseeding benefit	2,781	5,560
Unseeded acres	26	116
Spot-loss hail	13,487	14,691
Spot-loss fire	84	16
	61,919	77,049

Hail claims were adjusted under contract with Saskatchewan Municipal Hail Insurance Association in all areas except in Region B (South West) and Region D (West Central) where all hail claims were adjusted by the Corporation.

AUDITOR'S REPORT

Saskatchewan Crop Insurance Corporation
Financial statements
for the year ended March 31, 1986

Index

Statement 1 — Balance sheet
Statement 2 — Statement of revenue and expenditures
Statement 3 — Statement of retained earnings
Statement 4 — Statement of changes in financial position
Notes to financial statements
Schedule 1 — General administration revenue and expenditures.

AUDITOR'S REPORT

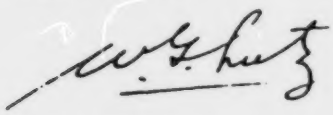
Saskatchewan Crop Insurance Corporation

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the balance sheet of the Saskatchewan Crop Insurance Corporation as at March 31, 1986 and the statements of revenue and expenditures, retained earnings and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the corporation as at March 31, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,
August 15, 1986.



W. G. Lutz, F.C.A.,
Provincial Auditor

Saskatchewan Crop Insurance Corporation
Balance sheet
as at March 31

Statement 1

	1986	1985
Assets		
Cash	$ 49,727	$ 35,102
Inventory	113,413	73,277
Prepaid expenses	42,379	38,687
Investments	498,876	348,353
Accounts receivable (Note 3)	6,754.709	1,308,594
Premiums receivable (less allowance for doubtful accounts 1986 - $1,487,485; 1985 - $1,153,954)	3,087,763	1,471,959
Due from Crop Reinsurance Fund of Saskatchewan	79,591,518	6,920,376
Due from Crop Reinsurance Fund of Canada for Saskatchewan	167,897,509	87,551,515
Fixed assets — Office and field equipment — at cost	344,230	262,134
	$258,380,124	$98,009,997
Liabilities and equity		
Liabilities:		
Bank overdraft	$ 1,012,787	$ 4,324,250
Accounts payable and accrued liabilities	700,704	482,520
Indemnities payable	7,436,904	2,861,126
Due to Minister of Finance	248,849,585	90,000,000
	257,999,980	97,667,896
Equity:		
Equity in fixed assets	344,230	262,134
Retained earnings (Statement 3) (Note 5)	35,914	79,967
	$258,380,124	$98,009,997

(See accompanying notes to financial statements)

Saskatchewan Crop Insurance Corporation
Statement of revenue and expenditures
for the year ended March 31

Statement 2

	1986	1985
Insurance operations		
Revenue		
Gross premium less discounts - insured (Note 6)	$ 79,132,924	$ 62,661,618
Government of Canada contribution	77,211,976	63,356,964
	156,344,900	126,018,582
Less: Premiums ceded		
Crop Reinsurance Fund of Canada for Saskatchewan	23,163,593	9,503,545
Crop Reinsurance Fund of Saskatchewan for Canada	23,163,593	9,503,545
	46,327,186	19,007,090
Net premium	110,017,714	107,011,492
Reinsurance claims	265,748,989	150,772,426
Interest on investments	287,684	994,469
Interest on overdue accounts	1,580,032	1,015,504
	377,634,419	259,793,891
Expenditure		
Indemnities - yield (includes unseeded summerfallow and reseeding benefits)	338,129,874	221,633,028
- spot loss hail	39,050,277	38,231,123
Provision for doubtful accounts	454,268	(70,260)
Total expenditure	377,634,419	259,793,891
Excess of revenue over expenditure insurance operations	—	—
Excess of expenditure over revenue general administration (Schedule 1)	(44,053)	(279,135)
Excess of expenditure over revenue for the year (Statement 3)	$ (44,053)	$ (279,135)

(See accompanying notes to the financial statements)

Saskatchewan Crop Insurance Corporation
Statement of Retained Earnings
for the year ended March 31

Statement 3

	1986	1985
Balance beginning of year	$79,967	$359,102
Excess of expenditure over revenue for the year (Statement 2)	(44,053)	(279,135)
Balance at the end of year (Note 5) (Statement 1)	$35,914	$ 79,967

(See accompanying notes to the financial statements)

Saskatchewan Crop insurance Corporation
Statement of changes in financial position
for the year ended March 31

Statement 4

	1986	1985
Resources provided:		
Excess of expenditure over revenue	$ (44,053)	$ (279,135)
Acquisition of fixed assets	82,096	21,926
Net earnings (loss) from operations	38,043	(257,209)
Adjustments to convert earnings to a cash basis:		
Increase (decrease) in prepaids, receivables, inventories and payables (net)	3,520,665	(7,003,626)
Total resources provided (used) by operations	$3,558,708	$(7,260,835)
Resources applied:		
Acquisition of fixed assets	$ 82,096	$ 21,926
Net (increase) decrease in cash, bank overdraft and investments	3,476,612	(7,282,761)
Total resources applied	$3,558,708	$(7,260,835)

(See accompanying notes to the financial statements)

Saskatchewan Crop Insurance Corporation
Notes to financial statements
March 31, 1986

1. Status of Corporation

The Saskatchewan Crop Insurance Corporation was established by Order-in-Council 544/74 and continues under The Crop Insurance Act.

The Saskatchewan Crop Insurance Fund was established pursuant to The Saskatchewan Crop Insurance Act, 1960 and continues under the provisions of The Crop Insurance Act (Saskatchewan).

The Crop Insurance Act was assented to June 1, 1984 and consequently the Saskatchewan Crop Insurance Act was repealed on July 1, 1984 upon proclamation of The Crop Insurance Act. All the property, rights and obligations, and any legal proceedings or actions of the Saskatchewan Crop Insurance Board which were previously recorded in the accounts of the Board or commenced by the Board were transferred to the Saskatchewan Crop Insurance Corporation. As a result of the new Act the activities of the Saskatchewan Crop Insurance Fund (previously administered by Saskatchewan Crop Insurance Board) are combined with those of the Corporation.

2. Significant Accounting Policies

a) **Revenue**

Revenue of the Corporation (general administration) includes sums appropriated by the Legislature.

b) **Fixed Assets**

The Corporation utilizes a fund accounting basis wherein fixed asset purchases appear in the statement of revenue and expenditure as an expense. To maintain accountability for fixed assets, it is necessary to record them as a balance sheet asset with a corresponding entry to "Equity in Fixed Assets." As asset purchases and sales appear in the statement of revenue and expenditure, no provision is made for depreciation on fixed assets.

c) **Inventory**

Inventory represents office supplies on hand at the end of the year which are valued at cost. The Corporation has adopted the first in, first out method of cost determination for valuation purposes.

d) **Investments**

Short-term investments are recorded at cost which approximates market value.

e) **Indemnities Payable**

The provision for indemnities payable includes the cost of indemnities reported and processed but not paid and an estimate, based on the average loss for crops suffering the same type of damage, for those indemnities that had been reported but not processed at year-end. The amount of the estimate is $2,900,000 (1985 - 1,150,000).

f) **Cost Sharing**

A. **Contributions**

In accordance with the agreement between the Government of Canada and the Province of Saskatchewan, amended by the 1986 amending agreement, the Government of Canada has agreed to reimburse the Province for the contributions it has made to the Saskatchewan Crop Insurance Fund in accordance with the terms of The Crop Insurance Act (Canada). The reimbursements received from Canada are deposited in the Consolidated Fund.

Section 11(4) of The Crop Insurance Act (Saskatchewan) provides that the Minister of Finance of the Province of Saskatchewan may pay out of the Consolidated Fund into the Saskatchewan Crop Insurance Fund in each fiscal year contributions not exceeding the total of the amounts that insured persons have paid as premium in respect of contracts of insurance in that fiscal year. Premiums paid for the

purposes of this calculation are net of discounts and exclude interest, surcharges and penalties.

For the financial statement purposes contributions from Consolidated Fund are described as contributions from the Government of Canada and amounts due on the final claim as accounts receivable from the Government of Canada.

B. **Reinsurance Funds**

The Crop Insurance Agreement dated April 2, 1976 between the Governments of Saskatchewan and Canada, continued under section 23 of The Crop Insurance Act (Saskatchewan), as amended by a 1986 amending agreement, provides for the establishment of two reinsurance funds.

(i) The Crop Reinsurance Fund of Saskatchewan - to be administered by the Government of Saskatchewan, and

(ii) The Crop Reinsurance Fund of Canada for Saskatchewan - to be administered by the Government of Canada.

Under the terms of the agreement the Saskatchewan Crop Insurance Corporation is required to pay premiums ceded into the reinsurance funds based on premiums received during that insurance year including the matching contributions made by the Province.

Per the agreement, payments may be made out of the Reinsurance Funds under the following conditions:

(1) Indemnities required to be paid in an insurance year would have to exceed the aggregate of:

a) the premium receipts for the year less reinsurance premiums ceded

b) the balance in the Saskatchewan Crop Insurance Corporation -Insurance operation

c) 2 ½% of the total liability under policies of insurance in force in the insurance year which would have to be paid by the Crop Reinsurance Fund of Saskatchewan or by the Province of Saskatchewan.

(2) The balance of indemnities to be paid would be shared 75% by Canada and 25% by Saskatchewan out of the respective Reinsurance Funds.

3. Accounts Receivable

The accounts receivable of the Corporation at the end of the year included the following:

	1986	1985
General Administration	$ 32,222	$ 67,067
Due from Minister of Finance under Federal Provincial Crop Insurance Agreement	6,722,487	1,241,527
	$6,754,709	$1,308,594

4. Balance of Crop Reinsurance Fund

Crop Reinsurance Fund of Canada for Saskatchewan

The balance in the Crop Reinsurance Fund of Canada for Saskatchewan as at March 31, 1986 was a deficit of $146,215,911 (1985 - $2,252,597 surplus).

Crop Reinsurance Fund of Saskatchewan

The balance in the Crop Reinsurance Fund of Saskatchewan as at March 31, 1986 was a deficit of $79,591,518 (1985 - deficit $6,920,376).

5. Retained Earnings

The retained earnings of the Fund at the end of the year include the following:

	1986	1985
Insurance operation	$ —	$ —
General administration	35,914	79,967
	$35,914	$79,967

6. Discounts

Discounts allowed during the year, with comparative figures for 1985, were as follows:

	1986	1985
Experience discounts	$5,978,363	$5,528,463

7. Administration Expenditure

Included in the administration expenditures are the costs related to the administration of the 1985 Saskatchewan Crop Drought Assistance Program.

8. Related Party Transactions

Included in these financial statements are expense amounts resulting from routine operating transactions conducted at prevailing market prices with various Saskatchewan Crown controlled departments, agencies and corporations with which the Board is related.

Account balances resulting from these transactions are included in the statement of financial position and are settled on normal trade terms.

9. Contingencies

The Corporation is being sued for damages by its former employees. The management has determined that estimate of loss cannot be made at present. The Corporation intends to account for the settlements, if any, in the period in which these actions are resolved.

The Corporation is the defendant to several unresolved insurance claims. It has provided for these claims in accordance with the advice received from legal counsel. The Corporation intends to account for any differences which may arise, between the amounts provided and amounts expended, in the period in which the claims are resolved.

Saskatchewan Crop Insurance Corporation
General Administration Revenue and Expenditures
for the year ended March 31

Schedule 1

	1986	1985
Revenue:		
Province of Saskatchewan appropriation	$11,250,000	$8,638,320
Interest on investments	157,699	128,632
Adjusting waterfowl, wildlife and lure crops	164,371	31,307
Miscellaneous	46,371	52,785
Total revenue	11,618,441	8,851,044
Expenditure:		
Salaries	6,938,857	5,127,714
Adjusting hail claims	547,417	751,802
Travel and sustenance	1,691,248	1,125,172
Office rental	337,735	324,890
Employee benefits	439,286	379,462
Computer and analyst services	454,859	388,618
Postage	290,340	236,808
Telephone	164,975	136,642
Legal and professional fees	48,021	90,762
Advertising	130,694	134,186
Office supplies	92,978	65,426
Printing and duplicating	145,324	117,443
Board members - honorarium and travel	32,562	41,015
Inspection fees	109,725	101,324
Repairs and other services	123,434	55,141
Freight and messenger services	20,154	21,290
Equipment rental	12,789	10,558
Total expenditures	11,580,398	9,108,253
Excess of revenue over expenditure (expenditure over revenue), before equipment purchases	38,043	(257,209)
Equipment purchases	(82,096)	(21,926)
Excess of revenue over expenditure (expenditure over revenue), for the year (Statement 2)	$ (44,053)	$ (279,135)

ANALYSIS OF INSURANCE

Canada-Saskatchewan Crop Insurance Program
Comparative Statistics

Coverage and premium

	Insurance Coverage	Average Coverage	Insureds' Net Premium	Average Premium	Average Rate (%)
1961-62	306,500	1,580	23,925	123	7.8
1962-63	2,319,000	1,734	171,284	128	7.4
1963-64	3,683,000	1,648	275,645	123	7.5
1964-65	4,088,000	1,735	278,926	118	6.8
1965-66	4,566,000	1,440	290,708	92	6.4
1966-67	12,125,000	1,734	743,154	106	6.1
1967-68	15,910,000	1,938	941,146	115	5.9
1968-69	27,165,000	2,201	1,719,898	139	6.3
1969-70	21,194,000	1,821	1,320,748	113	6.2
1970-71	9,039,200	995	567,835	63	6.3
1971-72	14,625,600	1,854	782,908	99	5.4
1972-73	29,840,005	2,519	1,821,463	154	6.1
1973-74	140,436,128	5,874	6,780,470	284	4.8
1974-75	288,263,532	9,177	14,536,220	463	5.0
1975-76	405,089,832	10,604	19,821,549	506	4.9
1976-77	542,207,973	13,852	25,986,032	664	4.8
1977-78	704,688,894	14,944	34,761,664	736	4.9
1978-79	708,193,202	16,457	33,258,275	773	4.7
1979-80	721,821,633	17,976	33,068,306	824	4.6
1980-81	935,838,614	21,840	41,457,643	968	4.4
1981-82	1,162,172,942	25,123	53,612,350	1,159	4.6
1982-83	1,233, 908,814	27,748	56,458,215	1,270	4.6
1983-84	1,254,906,517	29,184	56,017,456	1,303	4.5
1984-85	1,345,493,742	30,971	62,690,884	1,443	4.7
1985-86*	1,558,492,595	33,234	76,052,344	1,622	4.9

*Does not include data for forage, honey and unseeded acres program.

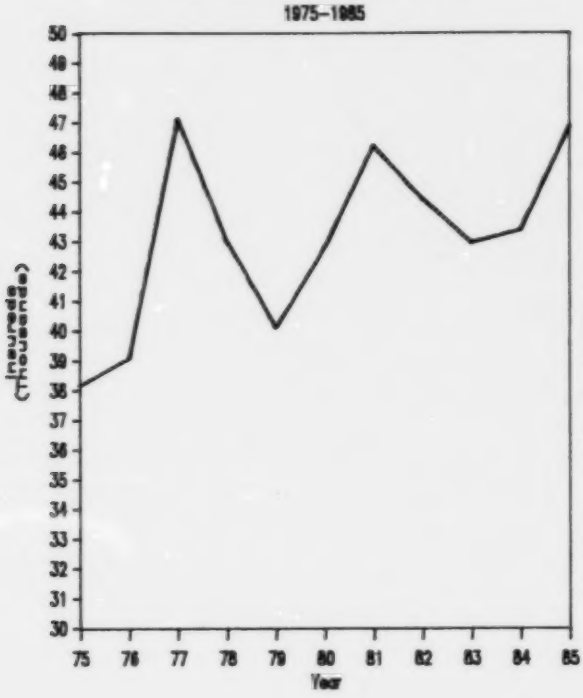
Contracts and liability by risk area

Risk Area	Total Contracts 1984	Total Contracts 1985	Total Liability 1984	Total Liability 1985
01	967	1,099	$ 30,716,704	$ 41,231,052
02	1,202	1,435	38,898,484	48,065,529
03	1,987	2,259	62,910,773	74,481,519
04	925	1,044	35,899,810	42,159,984
05	1,248	1,427	35,544,059	44,824,207
06	2,665	2,972	88,021,701	100,566,071
07	1,971	2,149	52,084,956	60,666,132
08	2,724	2,895	92,557,857	101,294,698
09	1,137	1,270	35,574,026	40,000,702
10	2,260	2,452	72,652,579	77,050,078
11	3,365	3,348	78,301,195	81,731,445
12	1,555	1,700	49,920,150	56,603,707
13	467	500	18,687,893	21,453,093
14	3,621	3,589	81,368,732	85,319,852
15	3,096	3,228	95,773,221	112,508,083
16	4,548	4,765	183,608,570	190,521,935
17	3,399	3,675	92,052,789	120,868,258
18	1,326	1,486	43,504,477	53,736,898
19	451	577	16,743,383	23,649,508
20	1,214	1,367	51,356,138	63,766,759
21	1,592	1,754	44,321,951	57,840,199
22	927	1,033	26,898,475	34,782,294
23	796	870	18,095,819	25,370,592
	43,443	46,894	$1,345,493,742	$1,558,492,595

ANALYSIS OF INSURANCE

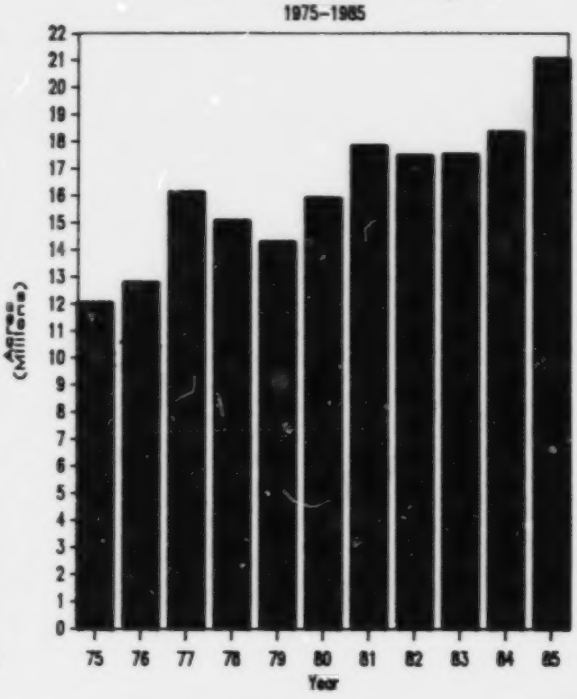
Number of Insureds

1975–1985



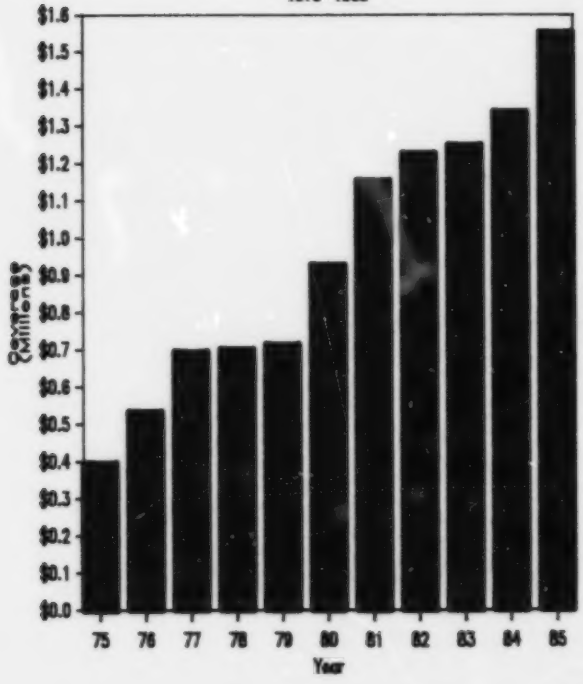
Total Insured Acreage

1975–1985



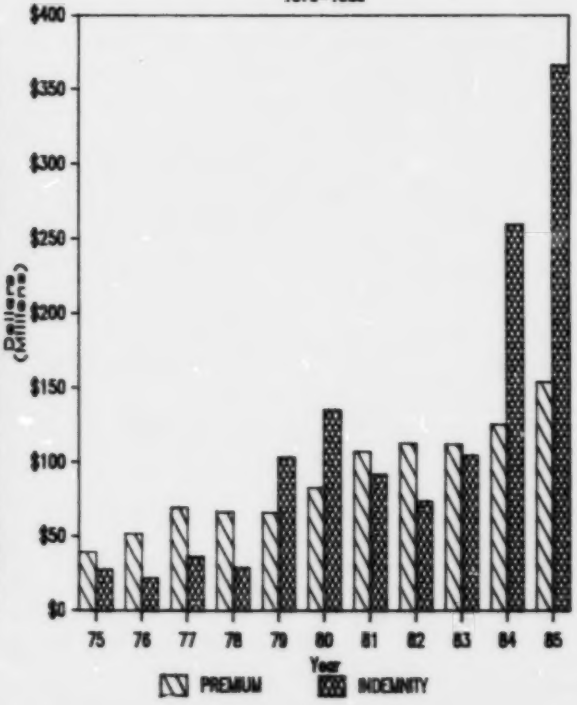
Liability

1975–1985



Total Premium and Indemnity

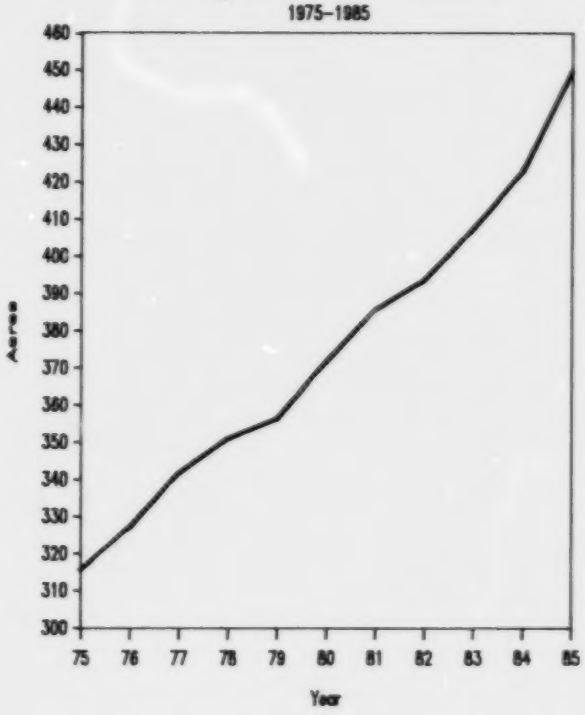
1975–1985



ANALYSIS OF INSURANCE

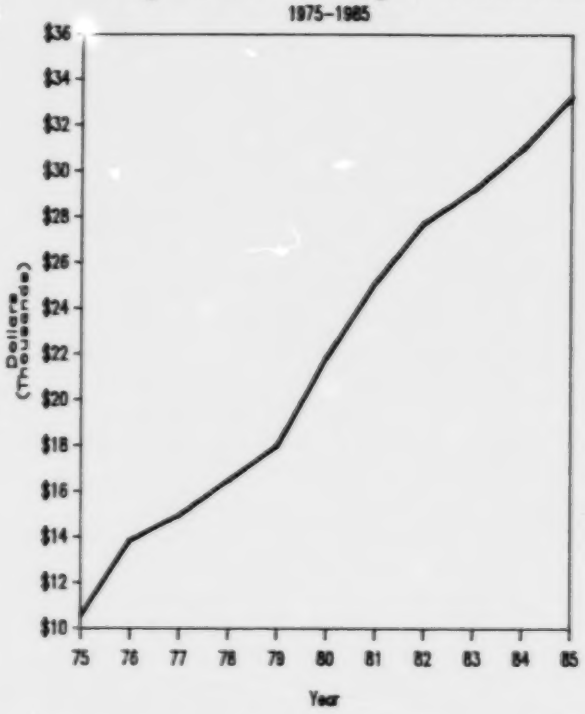
Average Acres Per Contract

1975–1985



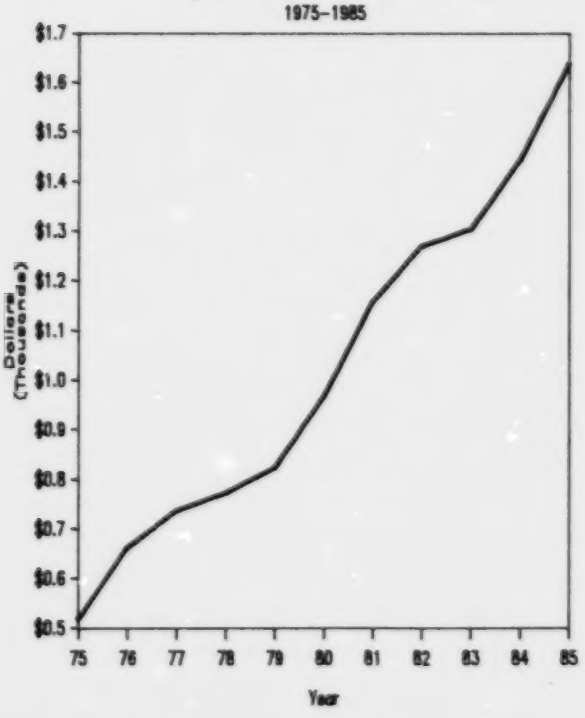
Average Dollar Coverage Per Contract

1975–1985



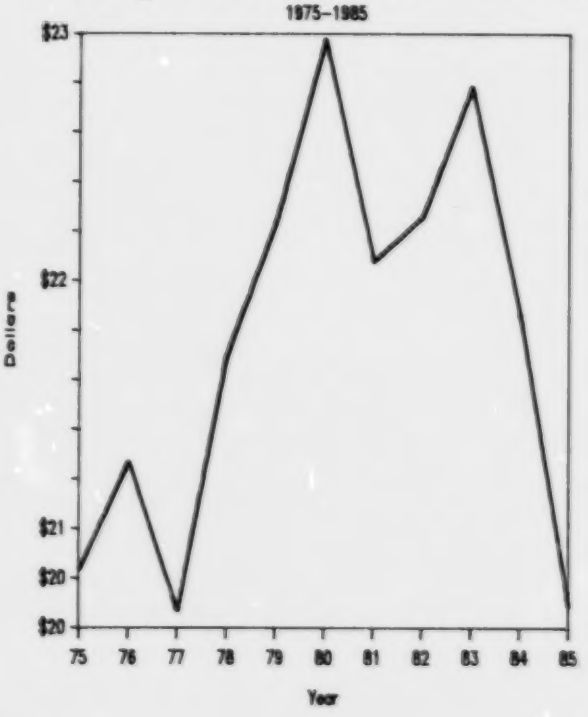
Average Premium Per Contract

1975–1985



Coverage Purchased Per Premium Dollar

1975–1985



Summary of experience

Year	No. of Insured	Revenue* Total	Revenue* Govt. of Can.	Indemnities Paid Number	Indemnities Paid Amount	Loss to Revenue Ratio By Year	Loss to Revenue Ratio Accumulated
1961-62	194	$ 31,586	$ 6,275	169	$ 129,669	4.11	4.11
1962-63	1,337	224,611	43,161	147	61,651	.27	.75
1963-64	2,235	372,180	69,657	38	9,285	.02	.32
1964-65	2,357	370,342	69,144	240	137,926	.37	.34
1965-66	3,172	402,388	74,021	301	123,304	.31	.33
1966-67	6,989	1,010,907	184,907	161	107,978	.11	.24
1967-68	8,211	1,377,099	313,499	887	497,118	.36	.28
1968-69	12,343	2,476,308	559,921	1,683	1,607,853	.65	.43
1969-70	11,637	2,007,405	427,616	553	385,787	.19	.37
1970-71	9,083	1,050,640	195,667	213	104,338	.10	.34
1971-72	7,890	1,349,366	259,933	206	142,930	.11	.31
1972-73	11,844	2,773,108	597,050	1,654	1,262,763	.46	.34
1973-74	23,909	14,341,387	6,688,320	8,484	7,730,305	.54	.44
1974-75	31,411	30,597,743	14,158,291	23,505	32,898,379	1.08	.77
1975-76	38,209	40,960,627	19,985,427	24,444	28,392,087	.69	.74
1976-77	39,143	53,785,749	26,160,037	15,092	22,401,840	.42	.63
1977-78	47,156	72,441,650	34,446,565	21,915	36,862,943	.51	.59
1978-79	43,032	72,720,436	33,553,882	17,389	29,410,884	.41	.54
1979-80	40,154	76,378,011	34,426,225	39,050	103,835,041	1.34	.71
1980-81	42,850	88,489,170	42,202,922	35,907	135,708,452	1.53	.87
1981-82	46,259	108,487,827	52,871,324	29,167	92,280,986	.85	.86
1982-83	44,469	115,954,971	56,364,777	23,967	74,157,729	.64	.83
1983-84	43,000	114,633,673	55,620,789	26,804	105,243,197	.92	.84
1984-85	43,443	128,028,555	63,356,964	51,853	259,864,151	2.03	1.00
1985-86	46,894	158,212,616	77,211,976	57,693	377,634,419	2.39	1.20

* Revenue includes premiums from farmers, premium contributions by Government of Canada, interest on bank balances, investments and notes receivable.

Acres insured

	Durum	Wheat	Spring	Barley	Oats	Flax	Canola	Fall Rye	Sun Flowers	Utility Wheat	Mustard	Field Peas	Forage	Lentils	Canary Seed	Spring Rye	Faba-beans	Winter Wheat	Soft White Spring Wheat	Total	Aver-age
1961-62		28,600		1,740	3,160															31,700	160
1962-63		180,000		18,400	27,800															226,000	169
1963-64		304,600		29,200	38,000															371,800	166
1964-65		414,700		25,800	23,000															463,500	197
1965-66		512,200		37,100	21,200															570,500	180
1966-67		1,182,600		143,000	20,600															1,346,200	193
1967-68		1,593,000		190,000	23,000															1,806,000	220
1968-69		2,742,000		214,000	35,000															2,991,000	242
1969-70		2,145,000		216,000	37,000															2,398,500	206
1970-71	137,400		579,500	262,500	24,400															1,003,800	111
1971-72	149,000		1,040,200	250,600	24,800															1,464,500	186
1972-73	385,088		1,613,505	362,166	40,855	41,267	146,301													2,588,182	218
1973-74	715,544		4,731,716	1,008,656	234,891	153,252	388,380	2,177	1,050											7,235,666	303
1974-75	1,360,053		5,615,440	1,507,827	430,933	218,854	545,896	14,054	190	42,295	68,680									9,804,422	312
1975-76	2,072,676		6,673,045	1,519,288	559,950	227,902	881,834	29,722	829	67,105	33,871									12,086,222	316
1976-77	1,870,193		8,452,752	1,389,155	549,122	90,225	328,818	49,101	570	60,345	17,950	3,287								12,811,518	327
1977-78	1,216,880		10,367,504	2,246,807	746,651	365,647	774,775	47,929	2,291	264,987	73,457	9,919								16,116,827	342
1978-79	2,266,101		8,692,868	1,631,337	476,210	221,894	1,415,738	83,014	2,004	226,913	73,363	9,814	9,243							15,108,499	351
1980-81	1,721,750		8,706,489	1,270,343	361,241	386,897	1,616,044	76,076	4,128	58,068	44,418	12,789	8,223	13,941	24,075	4,858				14,309,340	356
1981-82	2,147,814		9,783,115	1,795,748	480,810	247,139	1,085,158	89,389	10,632	44,046	110,742	17,569	10,764	43,400	50,881	13,493				15,930,700	371
1982-83	2,749,049		11,097,416	2,180,806	546,035	201,676	686,360	138,233	4,791	37,515	75,290	15,942	13,793	44,848	39,962	18,022	152			17,849,890	366
1983-84	2,237,746		11,250,517	2,049,734	461,074	275,290	757,199	147,036	3,601	34,773	49,725	26,530	38,730	63,902	89,761	25,008	370			17,510,996	390
1984-85	2,087,304		11,854,822	1,614,460	326,370	123,665	1,112,926	135,117	1,306	25,787	93,580	21,594	14,825	56,294	47,883	8,072	1,177			17,525,182	408
1985-86	2,561,121		10,931,701	1,823,475	376,268	372,201	1,770,049	105,569	5,895	58,823	164,691	28,907	23,615	76,035	67,907	9,133	2,010			18,377,400	423
	2,899,744		11,853,170	2,218,712	469,229	430,229	1,803,123	118,634	6,103	167,936	222,031	43,798	99,934	110,489	84,892	23,484	1,017	416,257	9,329	20,991,245	450

Extended coverage on unseeded acres

1975-76 — 673,676	1977-78 — 74,011	1979-80 — 149,288	1981-82 — 17,553	1983-84 — 35,554	1985-86 — 92,306
1976-77 — 338,826	1978-79 — 66,645	1980-81 — 55,735	1982-83 — 23,335	1984-85 — 12,634	

1985-86 Irrigation Summary

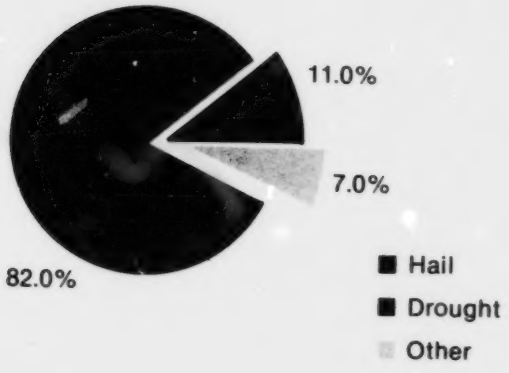
No. of Acres

	Spring Wheat	Durum Wheat	Utility Wheat	Barley	Oats	Flax	Canola	Mustard	Lentils	Canary Seed	Faba-beans	Prov. Total	No. of Insureds	Field Peas	Winter Wheat	Soft White Spring Wheat
1981-82	7,122	2,574	—	3,741	367	569	545	130	245	—	—	15,293	90			
1982-83	10,796	1,178	67	3,765	226	798	912	153	290	630	—	18,815	111			
1983-84	14,075	1,721	—	2,522	102	231	2,651	160	—	7	57	21,526	142			
1984-85	7,457	2,519	1,099	3,325	307	1,348	5,328	724	322	27	71	22,527	155			
1985-86	10,358	1,898	3,947	4,832	730	3,168	6,327	2,102	1,117	105	346	44,882		160	563	9,229

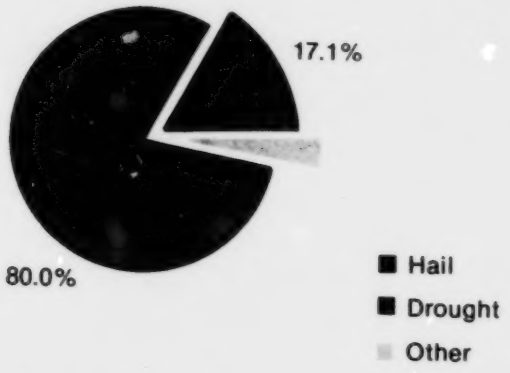
ANALYSIS OF INSURANCE

Causes of Loss

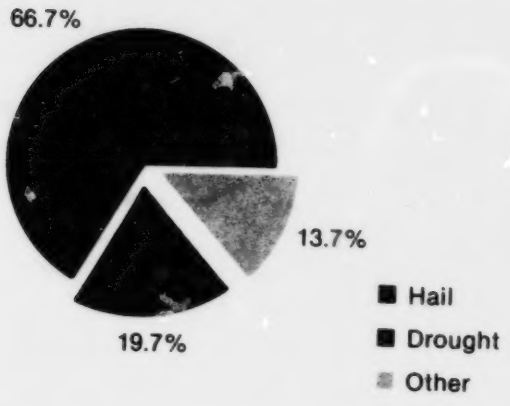
1985 Causes of Loss



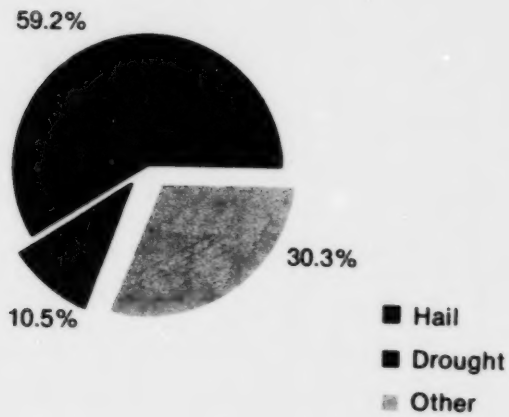
1984 Causes of Loss



1983 Causes of Loss

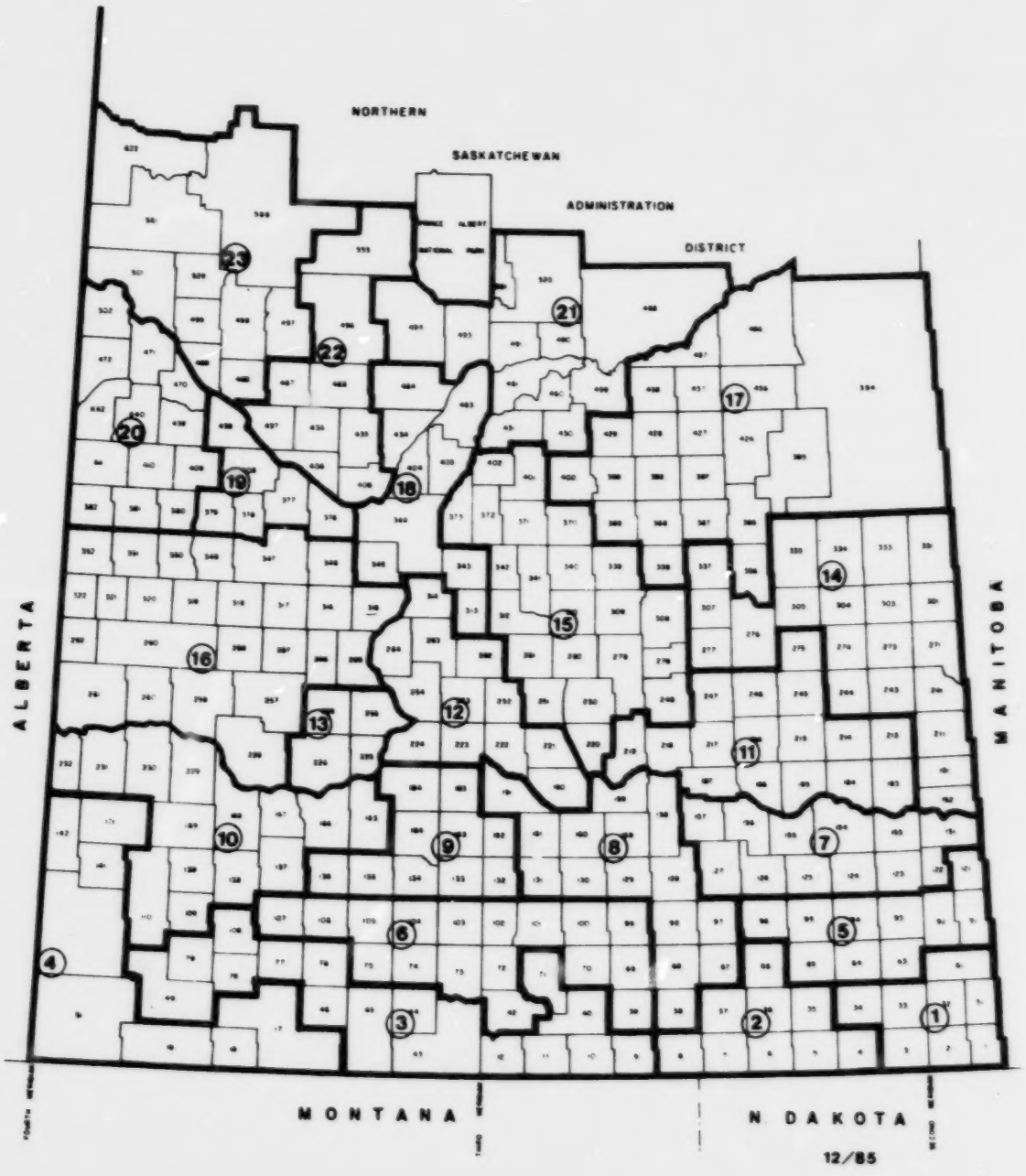


1982 Causes of Loss



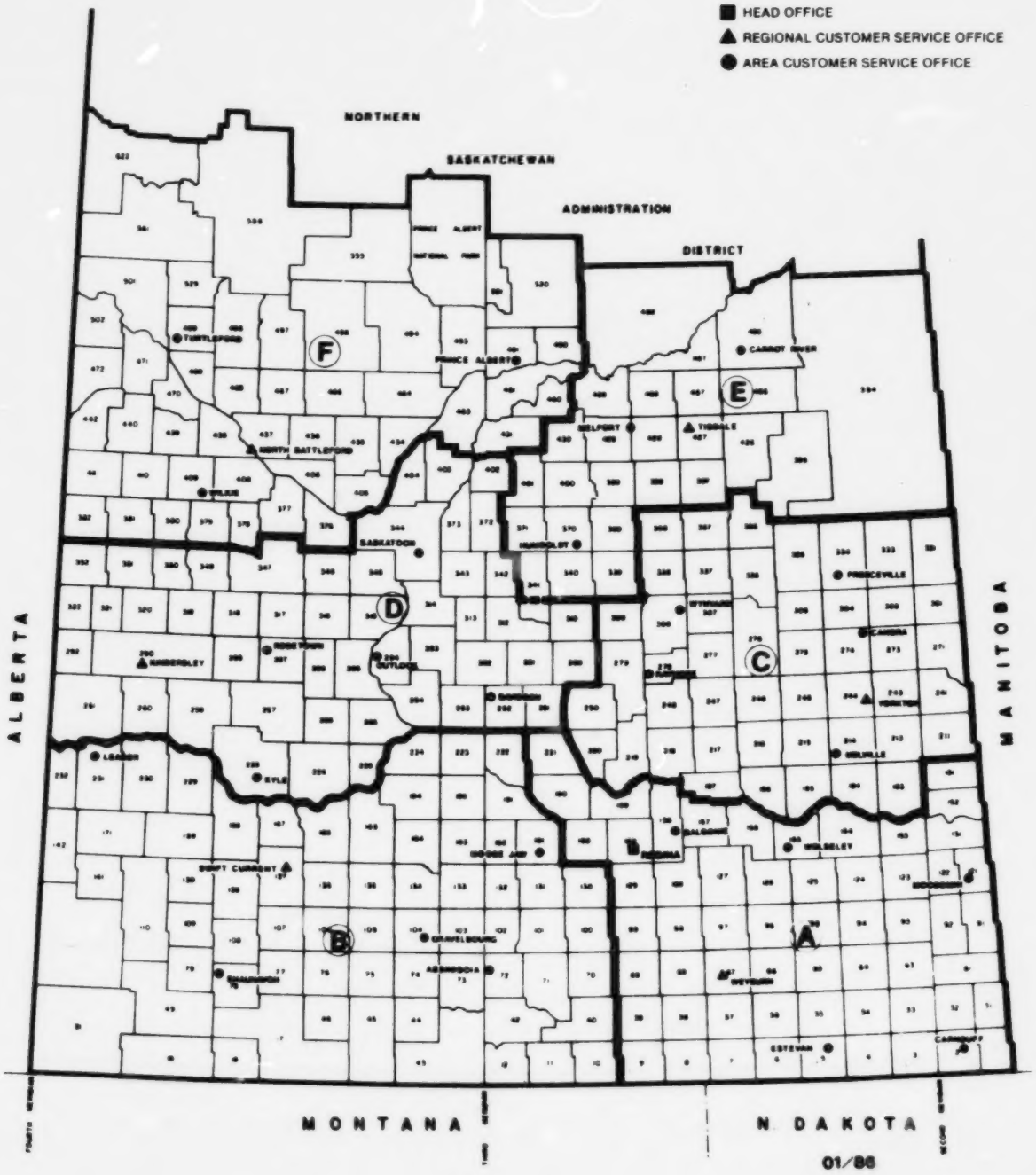
APPENDIX A

Risk Areas



APPENDIX B

Field Supervisor Regions
Customer Service Office Locations



APPENDIX C

Area Office Districts